

STATE OF NORTH CAROLINA
COUNTY OF CABARRUS

DRAFT
INCENTIVE GRANT AGREEMENT
(Corning, Inc.)

THIS AGREEMENT (the "Agreement") is made and entered as of the ____ day of June, 2012, by and between CABARRUS COUNTY, a body politic and political subdivision of the State of North Carolina ("County"), and CORNING, INC. ("Corning") a New York corporation.

RECITALS

1. Corning is considering locating additional manufacturing facilities in the County (the "Facility") by upfitting its existing building to serve as the Facility in the County and by installing furniture, fixtures and equipment in the Facility at an estimated total cost of Sixty-Nine Million Dollars (\$69,000,000.00) (referred to as "New Investment"), and by creating new jobs at the Facility.

2. The County has previously adopted an Industrial Development Grant Program (the "Program"), a copy of which is attached as Exhibit A and incorporated by reference, the public purpose of which is to encourage economic growth and development within the County.

3. Cabarrus Economic Development, Inc. (the "EDC") has reviewed the Corning application for inclusion in the Program and EDC's overview is attached as Exhibit B and incorporated by reference.

4. Corning has determined that its present location at 14556 Highway 601, Midland, North Carolina (the "Site") in the County is a suitable location for the placement of the Facility and the New Investment.

5. To induce Corning to locate the New Investment in the Facility at the Site and to assist Corning in that activity, the County has offered incentives to Corning consistent with the Program.

In consideration of the mutual promises set forth in this Agreement and other good and valuable considerations, the receipt and sufficiency of which are acknowledged by the parties, the County and Corning agree as follows:

COVENANTS, TERMS and CONDITIONS

1. Incentive Grants. Pursuant to the Program, the County shall in accordance with and as provided by this Agreement, pay to Corning an incentive grant (the "Grants") in an amount equal to 85 percent of the increase in property tax paid by Corning upon the actual assessed ad valorem tax value increase occasioned by construction and installation of the New Investment in the Facility at the Site. The County shall pay Grants to Corning as follows:

(a) For a period of three (3) consecutive years, the County shall make a grant to Corning based upon the increased ad valorem tax value of the New Investment in business personal property at the Site;

(b) Corning may elect the initial year in which the Grants identified in Paragraphs 1(a) and (b) and shall commence and shall so notify the County in writing; provided that the initial grant year shall commence no later than twelve (12) months after the qualifying equipment or construction has been released from an in-process stage to a fully-operational stage.

The process of assessment of the tax value of the New Investment, the calculation of the grant amounts and the payment of the Grants are more particularly described in the Program, which provisions are part of this Agreement. The County hereby confirms that it has approved the application of the Program to the Facility and has authorized the Grants and other terms of this Agreement. The County and Corning further confirm that this Agreement constitutes the “formal agreement” required under the Program and that the terms of this Agreement and those contained in the attached description of the Program shall govern the application of the Program to the Facility. The net increase in the assessed value of real property and business personal property in the Facility for local property tax purposes occasioned by the placement of the New Investment at or in the Facility shall determine the investment “level” for the Program in effect. Corning agrees to forward to the EDC and the County Manager, at the time it makes its annual property tax payments, a copy of the property tax payment receipt, which must be requested from the Tax Collector and the Cabarrus County Tax Assessor’s statement (the “Assessor’s Statement”) of the valuation of the New Investment located at the Facility. The Assessor’s Statement may be issued only after:

(a) Corning has completed the Assessor’s questionnaire and other substantiating corroborating documentation identified in the Program to the satisfaction of the Assessor; and

(b) The Assessor has had the reasonable opportunity to review, evaluate and verify a value for the New Investment.

The County agrees that the Grant payments to be made to Corning during the respective term will be made within thirty (30) days after payment by Corning of all property taxes due to the County and delivery of the Assessor’s Statement.

2. Special Conditions. The County’s obligation to make the Grants provided in this Agreement are specifically conditioned upon Corning a) occupying the Site for at least five (5) years after installation of the New Investment, and b) maintaining the New Investment and Facility in operating condition in the County for at least five (5) years after installation of the New Investment. In the event that Corning does not fulfill any one or more of these conditions, any Grants not paid will be cancelled and Corning will be required to immediately repay all Grants previously paid. This remedy is in

addition to the remedies available to County in Paragraph 4, below. Notwithstanding the other provisions of this paragraph, Corning shall not be obligated to repay any previously paid Grant(s) if Corning is unable to fully comply with the Special Conditions (a) or (b) above, due solely to a financial occurrence or event completely beyond the control of Corning. An example of such an occurrence or event is a regional or nationwide emergency or disaster which causes a disruption of commerce generally, not solely for Corning.

3. Validity of Incentives. As stated in the Program, no change in the Program after the date of this Agreement shall apply to the provisions of this Agreement or to the New Investment or the Facility (as it may be expanded or modified) unless otherwise agreed to in writing by the County and Corning. In the event one or more lawsuits or other proceedings are brought against the County or any County elected official challenging the legality of this Agreement or any provision, the County shall defend against any and all such lawsuits or other proceedings, including appealing any adverse judgment to the highest appellate court of the State of North Carolina. In the event that any of the incentives or other agreements of the County are determined to be invalid, the County agrees that it will, to the extent permitted by law, provide Corning with incentives of substantially equal value pursuant to one or more replacement incentive grant programs.

4. Noncompliance by Corning. Corning acknowledges that at any time during the period that a Grant is paid or is to be paid to Corning by County, if Corning has (a) failed or fails to make or maintain the New Investment, (b) fails to continue in business a fully operational Facility or (c) fails to comply with any provision of this Agreement or any provision of the Program applicable to this Agreement, then Corning shall be in default of this Agreement. In any such event, the County may at its option terminate this Agreement and no further Grants shall be paid to Corning.

5. Miscellaneous.

a) Corning acknowledges and understands that all the provisions of the Program are considered enforceable parts of this Agreement and that it must comply with all such provisions in order to be eligible for and remain eligible for the Grants.

b) This Agreement and the Grants provided by it may not be assigned by Corning without the prior written consent of County.

c) Notices. All notices, certificates or other communications required by or made pursuant to this Agreement shall be sufficiently given and shall be deemed given when delivered or mailed by registered or certified mail, postage prepaid or sent by facsimile (confirmed by the party providing notice) as follows:

The County: Michael K. Downs
Cabarrus County
County Manager

65 Church Street, SE
Post Office Box 707
Concord, North Carolina 28026
Facsimile Number: (704) 920-2820
Telephone Number: (704) 920-2100
E-Mail: mkdownloads@CabarrusCounty.US

Copy to: Richard M. Koch
County Attorney
3220-201 Prosperity Church Road
Charlotte, North Carolina 28269
Facsimile Number: (704) 503-5707
Telephone Number: (704) 503-5700
E-Mail kochlaw@CTC.net

Grantee: Corning, Inc.
c/o Albert Eckel
14556 Highway 601
Midland, North Carolina

The County or Corning may, by advance written notice, designate any further or different addresses to which notices, certificates, requests or other communications shall be sent.

(d) Binding Effect. This Agreement shall inure to the benefit of and is binding upon the County and Corning and their respective successors and assigns.

(e) Amendments, Changes and Modifications. Except as otherwise provided in this Agreement, this Agreement may not be amended, change, modified or altered except by written agreement signed by both parties.

(f) Severability. If any court or competent jurisdiction holds any provision of this Agreement invalid or unenforceable, such holding shall not invalidate or render unenforceable any other provision of this Agreement.

(g) Counterparts. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original, and it shall not be necessary in making proof of this Agreement to produce or account for more than one such fully-executed counterpart.

(h) Governing Law. This Agreement is governed by and shall be construed in accordance with the laws of the State of North Carolina, without regard to conflict of law principles.

(i) Captions. The captions or headings used throughout this Agreement are for convenience only and in no way define, or describe the scope or intent of any provision of this Agreement.

(j) Confidentiality. Corning and the County acknowledge that certain Exhibits to this Agreement, and/or other information provided by Corning pursuant to this Agreement, may contain Corning's confidential information. Accordingly, the County will maintain such information in confidence, unless its release is consented to in writing by Corning or required by law.

(k) Construction. The parties acknowledge and stipulate that this Agreement is the product of mutual negotiation and bargaining. As such, the doctrine of construction against the drafter shall have no application to this Agreement.

IN WITNESS, the parties have executed this Agreement as of the date first written above.

CORNING, INC.

By: _____
Its _____

Attest:

By: _____
Secretary/Assistant Secretary

CABARRUS COUNTY

By: _____
Michael K. Downs, County Manager

Attest:

By: _____
G. Kay Honeycutt, Clerk

This instrument has been pre-audited in the manner required by the "Local Government Budget and Fiscal Control Act."

Pamela S. Dubois, Finance Director